by means of a resolution passed at a public meeting. Now I understand that very recently they have circularised that no action need be taken on resolutions.

Mr. President: You are on a separate subject which has no bearing on this question.

KERALA KALAMANDALAM—AUDIT OF ACCOUNTS

132. Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* Will Government be pleased to state.—

(*a*) whether any audit of the Kalamandalam, Cheruthuruthi has been made after the assumption of management of that institution;

(*b*) whether the accounts of the Kalamandalam relating to the period when it was a registered association have been audited;

(*c*) whether Government are in a position to place before the Council a statement of assets and liabilities of this institution at the time when its management was assumed by Government;

(*d*) if answer to (*c*) is in the affirmative, will they be pleased to print and place their statement on the table of the House?

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):*

(*a*) Yes. An audit of the accounts of the Institution from its start to the date of assumption by Government has been conducted.

(*b*) Yes, as explained above.

(*c*) A provisional statement of assets and liabilities which is subject to further investigation as to the realisability of assets in full is appended. *(Appendix II.)*

(*d*) Vide answer to (*c*).

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* May I know, Sir, whether any scrutiny of the assets and liabilities were made by the Government before the assumption of management of the Kalamandalam?

Rao Sahib I. N. Menon *(Director of Public Instruction):* Do you ask whether a preliminary audit was conducted?

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* Yes.

Rao Sahib I. N. Menon *(Director of Public Instruction):* No, Sir.

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Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* May I know, Sir, who gave the information to the Government that some of the assets are bad debts?

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* The Audit staff from the papers that were available to them thought that these things might be bad debts and on the basis of the information that they had gathered from those papers they put it down as such for the information of the Government.

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* How can the Audit Staff by looking into the accounts and papers say that certain assets will not be realisable by Government? I ask whether any enquiry either by the Revenue Department or through any other officer, who can competently say that such and such amounts from such and such persons cannot be realised, has been made?

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* From the correspondence, it is more or less clear that such and such an amount is not likely to be realised.

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* Some debtors will always say that they will pay the amount. So the correspondence will be no proper data.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* They don't accept the statements of the debtors. They went through the records of the office before they made this statement.

Mr. A. B. Salem *(Mattancheri):* May I know with reference to Appendix II whether the following amounts were anticipated to be realisable.—1. Investment on mortgages—Rs. 51,000. Then investment on pronotes Rs. 6,306—4—0. Both these items come to about Rs. 57,000. I want to know whether these and other title deeds have been examined by any officer to know whether they are all amounts that could be realised or whether they are bad debts or doubtful debts and so on?

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* I anticipated definitely. We did not know whether documents were properly checked and the subsidiary documents are there and whether there are other questions likely to be raised by the debtors. Before we go and ask them for the money all these things have to be ascertained by referring to the Government and Legal Advisers.

Mr. A. B. Salem *(Mattancheri):* In other words, you say you do not know whether Rs. 57,000 are real assets.

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Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* It is subject to the qualifying remarks given in the answer.

Mr. A. B. Salem *(Mattancheri):* What I say is, the information with regard to the Rs. 57,000 due to the Kalamandalam is very indefinite.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Yes. It is indefinite.

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* May I know whether Government have made any payment of amounts due as per account books under item 3, Liabilities?

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* I do not think it is in the public interests to divulge such details at the moment. Because there are very many respectable persons whose names will be involved in this.

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* It is stated that Kalamandalam owes amount to parties as per account books to the extent of Rs. 3,547. I want to know whether after the assumption those creditors have approached the Government for realising their amounts.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* I do not think it is in the public interest to answer that question.

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* At present the state of affairs is that Government will have to pay to the extent of Rs. 3,547 now and immediately.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* The hon'ble member is assuming things.

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* Anyhow it is a liability to the Government since the management has been assumed by the Government and the assets even according to the Government include many bad debts also. So the financial consequence will be great loss to the Government. That is my point.

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* How is it a loss?

Mr. A. B. Salem *(Mattancheri):* Have demands been made for Rs. 57,000 already?

Rao Sahib I. N. Menon *(Director of Public Instruction):* Everyone of these demands have not matured. We have made enquiries. Some are being matured.

Some say they want more time.

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Mr. A. B. Salem *(Mattancheri):* So you say the demands have not matured.

Rao Sahib I. N. Menon *(Director of Public Instruction):* Yes, in some cases. In the case of others they have promised to pay. Others wanted some time and so on.

Mr. M. K. Devassy *(Adur):* Are these mortgages, first mortgages or second mortgages?

Mr. K. Achyuta Menon *(Secretary to Government):* I will give you any information you want. I have made a thorough personal enquiry into this matter before the question of assumption was taken up. The bad debt of Rs. 8,000 is one mortgage where there was an attachment which was undisclosed. Then there is the case of a promissory note of Rs. 2,469, where there is difficulty now of getting any money from the man. Otherwise, most of the debts are realisable, subject to the difficulties created by the Agriculturists' Relief Act and existence of properties in British India. In my calculation about Rs. 50,000 would be recovered.

Mr. M. K. Devassy *(Adur):* May I know whether the bad character of the debts were known to Government before the assumption?

Mr. K. Achyuta Menon *(Secretary to Government):* Government made enquiry and they found that Rs. 8,000 covering one mortgage is a bad debt. Then the amount of Rs. 2,461 advanced on a pronote was also a bad debt. But even making provision for all these bad debts nothing less than Rs. 50,000 is the amount that can be easily realised.

Mr. K. Kochukunhan Kaimal *(Vadakkancheri):* Is the assumption made absolutely on financial considerations?

Mr. K. Achyuta Menon *(Secretary to Government):* No.

Mr. C. R. Iyyunni *(Trichur-South):* What is meant exactly by "*pattam* considered as bad debt"?

Mr. K. Achyuta Menon *(Secretary to Government):* Certain properties have been given on usufructuary mortgages.

Mr. C. R. Iyyunni *(Trichur-South):* May I know what is the amount due as per that attachment?

Mr. K. Achyuta Menon *(Secretary to Government):* Rs. 8,000 and odd now. It is not the money that was advanced, but the amount for which an attachment was taken.

Mr. C. R. Iyyunni *(Trichur-South):* If that is paid away we are bound to get the first charge.

Mr. K. Achyuta Menon *(Secretary to Government):* If that

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is paid away there is only a waste *paramba* and another small *paramba*, so that we may class it as a bad debt.

Mr. A. L. Antony *(Irinjalakkuda):* May I know, Sir, how the Kalamandalam turned out to be a money lending concern?

Mr. K. Achyuta Menon *(Secretary to Government):* They conducted a lottery and got some money. Somewhere that money should be invested. They invested the bulk of the money on mortgages. In the case of one, the mortgage happened to be irrecoverable.

Mr. M. K. Devassy *(Adur):* May I know whether the Government have finally assumed the Kalamandalam? *(Laughter).*

Mr. K. Achyuta Menon *(Secretary to Government):* Yes, finally assumed.

Mr. A. B. Salem *(Mattancheri):* As regards remark (e) "Though the books disclosed such an outstanding item it does not appear to be a real liability", may I know to what item it refers to?

Mr. C. R. Iyyunni *(Trichur-South):* Bank overdraft liability.

Mr. A. B. Salem *(Mattancheri):* The Hon'ble Member for Finance stated how much amount out of the above Rs. 57,000 we will be able to recover. The Secretary to Government stated that of these at least Rs. 50,000 can be easily recovered.

Mr. K. Achyuta Menon *(Secretary to Government):* According to my estimate I put it at Rs. 45,000 to 50,000 as recoverable, even making provision for all possible bad debts.

Mr. K. R. Viswambharan *(Ezhuvas-Talappalli):* How did the Government know of all the facts relating to sundry debts not disclosed by the books?

Rama Varmha Tampuran *(Comptroller of Finance and Accounts):* Certain claims have been made after Government took charge of the management. That is how we came to know that.

DEATHS IN VELLARAPPALLI IN 1114, 1115 AND 1116—POST-MORTEM EXAMINATIONS

133. Mr. P. K. Madhava Menon *(Narakkal):* Will Government be pleased to state.—

(*a*) the number of deaths, (*i*) suspicious, (*ii*) accidental and (*iii*) suicidal, which happened in the area, under the jurisdiction of the Vellarappalli Police Outpost, during the years 1114, 1115 and 1116 and which required post-mortem examination;

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APPENDIX II

(Please see answer to question No. 132)

Provisional statement of Assets and Liabilities

ASSETS				LIABILITIES			
	Rs.	A.	P.		Rs.	A.	P.
1. Investment on mortgages (a)	51,000	0	0	1. Bank Overdraft (e)	101	14	7
2. Do. on pronotes (a)	6,306	4	0	2. Due to parties as per account books	3,547	13	8
3. Outstandings to be recovered from parties	2,077	2	10	3. Sundry liabilities not disclosed by books	645	0	1
4. Land	2,658	6	9				
5. Buildings (b)	8,950	8	10				
6. Timber (c)	930	7	7				
7. Books (c)	254	3	10				
8. Accoutrements	2,500	0	0				
9. Dance Dresses	199	4	0				
10. Office equipments	357	9	0				
11. Vessels etc.	137	3	6				
12. Arrears of pattom (d)	14,017	4	7				
13. Interest on Promissory Notes (d)	1,125	0	0				
14. Cash balance	4	6	7				
Total	90,517	13	6				
Deduct assets considered bad :							
Mortgage amount 8,000 0 0							
Promissory Note amounts 2,469 13 8							
Pattam 5,073 1 11							
Interest 462 1 2							
	16,005	0	9				
Balance	74,512	12	9	Total	4,294	12	4
				Net assets	70,218	0	5
					74,512	12	9

(a) Title deeds, values, etc., have to be investigated and necessary deductions made for bad and doubtful debts.

(b) Depreciation has not been taken into account, This is the original cost as per books.

(c) These assets are not seen included in the books.

(d) These are the actual balances as seen from the books. There appears to be some bad debts under these heads also. They have to be ascertained and deducted.

(e) Though the books disclose such an outstanding item, it does not appear to be a real liability. Such a wrong balance seems to have occurred due to omission to enter some credits.